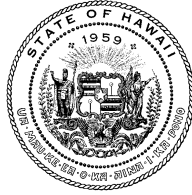


DAVID Y. IGE
GOVERNOR
JOSH GREEN M.D.
LT. GOVERNOR



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COUNCIL ON REVENUES

STATE OF HAWAII
P.O. BOX 259
HONOLULU, HAWAII 96809

August 4, 2021

The Honorable David Y. Ige
Governor, State of Hawaii
Executive Chambers
State Capitol, Fifth Floor
Honolulu, Hawaii 96813

Dear Governor Ige:

In its meeting on August 2, 2021, the Council on Revenues (the "Council") raised the Hawaii Total Personal Income (TPI) for calendar year 2021 to 2.0% from -4.0%. The Council set its 2022 TPI forecast at -2.0%.

The increase in growth rate in 2021 arises from the two large federal fiscal stimulus measures that passed in December 2020 (Consolidated Appropriations Act, 2021) and in March 2021 (American Rescue Plan Act of 2021) in response to the COVID-19 pandemic. The decline of TPI in 2022 reflects the withdrawal of federal fiscal support. The decline in transfer payments from the federal government will more than offset expected wage growth, resulting in a net decline.

The updated data for Hawaii's TPI for calendar years 2016 through 2020, along with the Council's current forecasts for 2021 and 2022, are shown below:

Calendar Year	Millions of Dollars	% Growth From Previous Year
2016	\$73,048	3.8%
2017	\$76,110	4.2%
2018	\$78,436	3.1%
2019	\$80,727	2.9%
2020	\$86,273	6.9%
2021 (Forecast)	\$87,998	2.0%
2022 (Forecast)	\$86,238	-2.0%

The Honorable David Y. Ige
August 4, 2021
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Please advise us if we can be of further assistance or if you have any questions concerning the foregoing estimates.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kurt Kawafuchi', with a stylized flourish at the end.

KURT KAWAFUCHI
Chair, Council on Revenues